

March 21, 2022

The Honorable Patty Murray  
Chair  
Senate Committee on Health, Education,  
Labor & Pensions  
Washington, DC 20510

The Honorable Richard Burr  
Ranking Member  
Senate Committee on Health, Education,  
Labor & Pensions  
Washington, DC 20510

**RE: Child Care and Preschool: Cutting Costs for Working Families**

Dear Chair Murray and Ranking Member Burr:

On behalf of the networks of the National Council of Nonprofits, we thank you for convening the March 22 hearing on **Child Care and Preschool: Cutting Costs for Working Families**. Child care is of critical importance to charitable organizations for many reasons. When they come to work, nonprofit employees – just like employees of for-profit businesses and governments at all levels – need to know their children are safe and well cared for. Also, many charitable organizations serve their communities as child care providers. As such, charitable nonprofits are on the frontlines in dealing with the multi-pronged challenges of securing and providing safe, quality, and affordable child care. In this letter, we share some of the insights about challenges and the need for comprehensive rather than piece-meal solutions identified by nonprofits throughout the country.

**National Council of Nonprofits**

Charitable nonprofits improve our lives, add vitality to our communities, contribute to our local and national economies, and enhance the health of our democracy. But too often, nonprofits are taken for granted and under-resourced, limiting their ability to advance their missions.

The National Council of Nonprofits is the largest network of nonprofits in North America. We focus on the 97% of charitable nonprofits with budgets under \$5 million – food banks, neighborhood health clinics, community theatres, domestic violence shelters, senior centers, and more – the organizations whose absence would leave huge voids in their communities. Working with our core network and other collaborative partners, we champion, inform, and connect organizations across the country to get things done for nonprofits and the people and communities they serve.

**Unprecedented Nonprofit Workforce Shortages**

Before the pandemic, charitable nonprofits collectively employed the nation's third largest private workforce – larger than the finance, construction, and even manufacturing industries. The pandemic, however, initially wiped out more than 1.6 million nonprofit jobs. As recently as

December 2021, the nonprofit sector was still more than 450,000 jobs short of pre-pandemic levels, having recovered only about 72 percent of all nonprofit jobs lost as of May 2020, according to the Center for Civil Society Studies at Johns Hopkins University [COVID-19 Jobs Update, December 2021](#).

The scope of the problem of nonprofit job vacancies is broad. Last August the Federal Reserve conducted a nationwide survey and found that more than 40 percent of the 2,237 charitable nonprofits responding reported their staffing levels were down. See [Perspectives from Main Street: The impact of COVID-19 on communities and the entities serving them](#), Federal Reserve Community Development Staff, Oct. 12, 2021 (separate run of charitable nonprofit responses). The data show that the great challenge that nonprofits of every type of mission are experiencing – the inability to hire and retain qualified workers – is not the fault of any one nonprofit or even one subsector.

Yet what was initially considered to be a challenge for nonprofits has become a crisis due to burdens of the pandemic era. The crisis needs rapid remedy before more harm is done.

To better understand the extent and causes for nonprofits confronting difficulties in retaining staff and filling vacancies, the National Council of Nonprofits conducted a nationwide survey late last year. Three out of four nonprofits with job openings reported vacancy rates greater than 10 percent. A third of nonprofits (34%) reported job vacancy rates of between 10% and 19%, and a troubling 26% responded that they had job openings for 20% to 29% of their positions. Another 16% percent reported vacancies greater than 30 percent. See [The Scope and Impact of Nonprofit Workforce Shortages](#), Dec. 13, 2021.

Nonprofits nationwide reported a range of factors creating the difficulties, but two stood out as the predominant causes. One was salary competition – as in not being able to compete with other employers by raising wages. The second largest cause for job vacancies, and most relevant to the focus of your hearing, is the inability of potential employees to find child care. Nearly a quarter (23%) of nonprofits reported losing staff and job candidates to child care concerns.

## **Inadequate Child Care Options throughout America**

We recognize that inadequate child care and preschool access are a crisis for all employers across the country. Nonprofits join our voices to the chorus seeking immediate solutions. Parents and children – along with employers from all sectors – deserve better than the current and longstanding shortage, and too often, lack of availability of high-quality, affordable, and available child care. In a [recent letter to Congress and the Administration](#), more than 1,500 charitable organizations from all 50 states – including nearly 60 from Washington State and more than 150 from North Carolina – urged “Congress to provide robust funding to expand access to high quality child care that is affordable, dependable, and accessible, and supports livable wages and skill-based training for nonprofit child care professionals.” See [Nonprofit Community Letter on the Pandemic and Workforce Shortage Relief for Charitable Nonprofits](#), updated Mar. 14, 2022.

While the lack of adequate child care and preschool affects employees from all sectors, the shortage is particularly hard on the nonprofit sector, because women comprise 66 percent of the nonprofit workforce. Women are disproportionately impacted by the lack of child care in our country, in part due to the outsized caregiving burden they carry for their households and communities.

As employers struggling to attract and retain employees and, in many cases, as child care providers themselves, charitable nonprofits are deeply concerned that the lack of child care and equitable wages are impediments to all. We must all recognize that maintaining quality, safety, and enriching environments that nurture children is costly. Yet, nonprofit child care providers are reluctant to pass on higher costs to families because the price of child care already makes this critical service out of reach for too many families.

This crisis is far bigger than any one nonprofit, any one employer, or any one sector can solve. It requires swift and comprehensive action by Congress. Therefore, we urge Congress to provide robust funding to expand access to high quality child care that is affordable, dependable, and accessible, and supports livable wages and skill-based training for nonprofit child care professionals.

### **Impact on the Public When Nonprofits Cannot Operate at Full Capacity**

To put these challenges in context, we share that workforce shortages in the nonprofit sector create an adverse ripple effect touching all employers and working people. Participants in the National Council of Nonprofits workforce survey made clear that the toll on community members' lives caused by workforce shortages harms far more than just the nonprofits. The toll is both significant and regrettable.

Among the nonprofits reporting at least a one-month waiting list for services is a domestic violence shelter in Montana. Another organization reported having as many as 1,500 children on their waiting list. "We are having difficulty filling child care positions - educators/teachers," a Vermont human service provider shared. "This has caused us to close classrooms, consolidate and put burden and pressure on our existing staff," they lamented, adding "the alternative is not serving families who need child care."

Many organizations explained that, due to job vacancies, they had been forced to limit services and reduce the number of individuals they could assist. One stated, "We do not keep a wait list, but we serve less than 5% of those calling for shelter or rent and utility assistance." Another acknowledged, "We have had to close for business several times during the past 9 months due to being at capacity."

The confluence of these challenges, and why they matter, was best summed up by an expert on a recent Federal Reserve webinar, who said: **"There is no recovery of the economy without child care."**

## Conclusion

We thank you for convening this important hearing and drawing the public's attention to the multipronged challenges employees and employers are facing. We ask that you consider the issues of affordable and assessable child care with a recognition that charitable organizations are both struggling to maintain or rebuild their workforces in the face of child care challenges and, as child care providers, are parts of the solutions. Support for child care and their providers is critical to serving our communities and for economic recovery for all. We stand ready to help the Committee engage the broad nonprofit sector in identifying and implementing workable solutions in communities.

Sincerely,



David L. Thompson  
Vice President of Public Policy